



ALASKA CHILD AND ADULT CARE  
FOOD PROGRAM  
(CACFP)  
CACFP ANNUAL TRAINING  
FOR HEAD START AGENCIES – PART 2



# CACFP IS A REIMBURSEMENT PROGRAM — NOT A GRANT PROGRAM

- ❑ Agency expends funds to operate the CACFP
- ❑ Agency reports creditable meals served in order to receive reimbursement
- ❑ The reimbursement usually does not cover the entire cost of operating the food program so agency must have other funds
- ❑ Agencies are reimbursed on a meals x rate basis — not on actual costs
- ❑ Head Start receives the Free Rate for all creditable meals served
  - Other programs receives a rate percentage that is calculated on the income eligibility of all enrolled participants

# REIMBURSEMENT RATES

USDA updates reimbursement rates yearly

July 1st through June 30<sup>th</sup>

Categories are the same as the NSLP

Free, Reduced Price, or

Paid (also referred to as Over Income)

## BUDGET FOR FOOD PROGRAM

- Report expected income from meal reimbursement
- Report anticipated expenses for meal program
- Balanced Budgets
  - Income and Expenses should match

# ESTIMATED REIMBURSEMENT WORKSHEET

Certified Count	Category	Percentage
	Free	#DIV/0!
	Reduced Price	#DIV/0!
	Over Income	#DIV/0!
<b>0</b>	<b>Total</b>	<b>#DIV/0!</b>
Meal Count	Reimbursment	
	Total Breakfast	#DIV/0!
	Total AM Snack	#DIV/0!
	Total Lunch	#DIV/0!
	Total PM Snack	#DIV/0!
	Total Suppers	#DIV/0!
	Total Eve Snack	#DIV/0!
	Total At-Risk Snack	#DIV/0!
	Total A-Risk Supper	#DIV/0!
	Cash-in-Lieu	\$0.00
	<b>Month Total</b>	<b>#DIV/0!</b>
<b>Number of Operating Months</b>		
	<b>Yearly Total</b>	<b>#DIV/0!</b>

# CERTIFICATION PROCESS

Certified Count	Category	Percentage
50	Free	100.00%
0	Reduced Price	0.00%
0	Over Income	0.00%
<b>50</b>	<b>Total</b>	<b>100.00%</b>

50 children enrolled during month period

All Free due to Head Start enrollment

# CERTIFICATION PROCESS

## Based on 850 Lunches

Rate %	Category	% times Meals	Meals by Category	Federal Rate	Reimbursement by Rate
100%	Free	1. X 850 lunches	850	X5.12	4,352.00
	Reduced Price	x lunches		X4.72	
	Paid/Over Income	x lunches		x.49	
				Monthly Total	\$4,352.00



## ☐ USDA Foods or Cash-in-lieu of USDA Foods

### ☐ USDA FOODS

- Bulk products based on average daily attendance
- Place order February for upcoming year
- Most delivered beginning in August
- Need space for storage (dry & frozen)
- Pay small fee per case



## ☐ Cash-in-lieu of USDA Foods

- If center opts out of USDA Foods, may receive money for every reimbursable lunch and supper
- Most centers choose this option
- Convey option in CNP database

### Estimated Reimbursement Worksheet

July 1, 2015-June 30, 2016

To estimate reimbursement, enter number of enrolled

Worksheet will calculate your expected meal reimbursement for

For programs receiving Commodities (vs. CIL), please put a

Month of: **October**

Certified Count	Category	Percentage
50	Free	100.00%
0	Reduced Price	0.00%
0	Over Income	0.00%
<b>50</b>	<b>Total</b>	<b>100.00%</b>

Meal Count		Reimbursement
600	Total Breakfast	\$1,638.00
	Total AM Snack	\$0.00
850	Total Lunch	\$4,352.00
	Total PM Snack	\$0.00
	Total Suppers	\$0.00
	Total Eve Snack	\$0.00
	Total At-Risk Snack	\$0.00
	Total A-Risk Supper	\$0.00
	Cash-in-Lieu	\$197.63
	<b>Total</b>	<b>\$6,187.63</b>

Number of Months	9	\$55,689
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# EXPENDITURES

- USDA reimbursement may only be used for costs if
- Necessary and Reasonable
  - Recognized as ordinary
  - Required to operate the Program
  - What a sensible or practical person would pay in same situation
  - Prior approval from EED through the budget process

# EXPENSE DOCUMENTATION

## □ Additional documentation

- Labor – must have timesheets reflect CACFP hours and total hours
- Utilities – must have a cost allocation plan to reflect percentage of costs for CACFP compared to child care program
- Invoices and receipts
- Indirect Rate documentation
  - Agreement
  - What items are included



# NON-PROFIT FOOD SERVICE FINANCIAL REPORT (2X YEAR)

- Documents expenditure of USDA reimbursement for semi-annually
  - Non-profit food service
  - Matches agency financial records
- Submit to CNP by November 10<sup>th</sup> and May 10<sup>th</sup>
- Late submission will hold payment of claims



# **FNS INSTRUCTION 796.2, REV. 4**

**Financial Management – Child and Adult Care Food Program**

# ALLOWABLE COSTS

*From FNS Instruction 796-2, rev. 4*

“Generally allowable costs.”

**Q.** The last sentence in the description of generally allowable costs is confusing (“Approval of the budget results in the approval of the budget line items but is not a guarantee of the allowability of any particular cost or funding of the budget line item”) (Section VIII Standards for Allowable Costs, D). Does the State agency’s approval of a line item in a budget mean that all costs included in the line item total are allowable?

**A.** A line item that received approval does not necessarily mean that all costs included in the line item total are allowable. For example, training is a generally allowable cost item. An institution enters \$3,500 in the training line item but does not list what cost items are included in the \$3,500. The State agency learns during a review that the \$3,500 included tote bags and coffee mugs with the Agency logo for each participant. Tote bags and coffee mugs with the Agency logo are not allowable expenses.

Another example of a generally allowable cost item is food costs. Food costs are allowable, but the State agency learns the institution is serving a fruit drink instead of 100 percent fruit juice. Fruit drinks are not a creditable food item and would not be an allowable food cost.

# BUDGET

- Budgets are submitted yearly for existing program
- Only use CACFP funds for the specific line items approved on budget
- Amended budget may be submitted but it must be approved prior to spending.

# BUDGET — NEW VERSION FOR SPONSORS WITH MORE THAN ONE SITE

- Attachment A: Complete Food Service Budget with Details
  - Institution that is using CACFP reimbursement for additional expenses
  - Sponsoring organizations of multiple sites

# BUDGET - ATTACHMENT A: COMPLETE FOOD SERVICE BUDGET WITH DETAILS

Attachment A: Complete Food Program Budget with Details			
FISCAL YEAR 2016-2017			
Summary of Proposed Expenditures			
Sponsor Name:		ABC Childcare Agency	
(Column 1 auto completion from pages 1a-21)			
CACFP Food Service Operating Expenses		Proposed Budget	
1. Food Expenses	\$12,000	Vendor Number	1111
2. Non-Food Kitchen Expenses	\$5,000	CNP ID Number	2222
3a. Operating Labor - WAGES & TAXES	\$31,200		
3b & 3c. Operating Labor - BENEFITS	\$3,600	Anticipated CACFP ANNUAL REIMBURSEMENT	\$72,000.00
4. Operating - Purchased Services	\$200		
5. Operating - Equipment	\$0		
6. Operating - Transportation	\$3,600		
7. Operating - Rental/Lease	\$12,500		
8. Operating Other - Specify on page 8	\$0		
<b>TOTAL FOOD SERVICE OPERATING EXPENSES</b>	<b>\$68,100</b>		
CACFP Administrative Expenses		Proposed Budget	
9a. Administrative Labor - WAGES & TAXES	26,500.00		
9b & 9c. Administrative Labor - BENEFITS	0.00		
10. Administrative Professional Services	11,500.00		
11. Administrative Indirect Costs	18,000.00		
12. Administrative Purchased Services	240.00		
13. Administrative Supplies	100.00		
14. Administrative Transportation/monitoring	0.00		
15. Administrative Rental/Lease	3,600.00		
16. Administrative Communication	0.00		
17. Administrative Insurance	0.00		
18. Administrative Audit	1,500.00		
19. Administrative Other- Specify on page 19	0.00		
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>61,440.00</b>		
<b>TOTAL ANNUAL CACFP EXPENSES</b>	<b>129,540.00</b>		
PREPARED BY	TITLE	TELEPHONE NUMBER	DATE
<i>I hereby certify that I have reviewed the proposed budget and that all costs of operation are accounted for through the use of generally accepted accounting principles.</i>			
AUTHORIZED AGENCY REPRESENTATIVE	TITLE	TELEPHONE NUMBER	DATE

# BUDGET - DETAIL EXAMPLE

## BUDGET DETAIL DOCUMENTS

			Vendor Number	1111
			CNP ID Number	2222
<b>Food Expenses for CACCFP meals and snacks</b>				
Name of store(s)		Average Monthly Food Expense	Numbef of Months of Program Operation	Total Annual CACFP Food Expense
		1000	12	\$12,000.00
				\$0.00
				\$0.00
				\$0.00
<b>TOTAL Food Expenses for CACFP meals and snacks</b>				<b>\$12,000.00</b>
<b>Non-Food Kitchen Expenses for CACFP</b>				
Name of store(s)	Description of Items	Average Monthly Food Expense	Numbef of Months of Program Operation	Total Annual CACFP Food Expense
		500	10	\$5,000.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
<b>TOTAL Non-Food Kitchen Expenses for CACFP</b>				<b>\$5,000.00</b>

# BUDGET - DETAIL EXAMPLE

Vendor Number 1111  
 CNP ID Number 2222

1a. **Operating (Food Service)Labor - WAGES & TAXES (FNS Instruction 796-2, Rev. 4, pages 41-55) (round to nearest dollar)** Include full-time and part-time employee wages and taxes on this budget line item. You may not exceed the total annually approved budget amount, per position. Required employer taxes include **Worker's Compensation, State Disability Insurance, Unemployment Insurance, Social Security**, etc. Individual employee position title must correspond to duty statements and Management Plan. Salaries and wages may not be approved retroactively. Sponsors must report ACTUAL APPROVED salaries and wages, not anticipated or averaged salaries and wages. **Submit a copy of your agency's written compensation policy.**

1	2	3	4	5	6	7	8	9	10	11
Individual Employee Position Title	Total Gross Wages	Total Agency Hours per Month including CACFP	Total CACFP Hours per Month	Total % CACFP Hours per Month	Average Gross Monthly Wages Charged to CACFP	Total Monthly Required Employer Taxes	Total Monthly Taxes Charged to CACFP	Total Monthly Cost to CACFP (Col. 6+8)	Number of Budget Months	Total Annual Cost to CACFP (Col. 9 x Col.10)
<b>Salaried Employees:</b>										
Susie Smith, Cook	\$ 5,000.00	140.00	70.00	50%	\$ 2,500.00	\$ 200.00	\$ 100.00	\$ 2,600.00	12	31200
		0.00		0%			\$ -	\$ -		0
		0.00		0%			\$ -	\$ -		0
		0.00		0%			\$ -	\$ -		0
		0.00		0%			\$ -	\$ -		0
<b>Hourly Employees:</b>										
		0.00		0%			\$ -	\$ -		0
		0.00		0%			\$ -	\$ -		0
		0.00		0%			\$ -	\$ -		0
<b>Grand Total (3a)</b>										<b>\$ 31,200.00</b>

SUBMIT SPECIFIC WRITTEN REQUEST IF APPLICABLE

# BUDGET - EXPECTED REIMBURSEMENT

The expected reimbursement is the same as the simple budget and the Estimated Reimbursement Worksheet is attached to this budget

If more expenses than expected reimbursement complete the Insufficient Reimbursement page of the budget detail

# BUDGET - EXPECTED REIMBURSEMENT

*Enter amount – from the expected reimbursement worksheet or if existing agency use last year’s reimbursement*

Auto-fill from from page 1

Anticipated CACFP ANNUAL REIMBURSEMENT	\$72,000.00
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TOTAL ANNUAL CACFP EXPENSES	129,540.00
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**Attachment A - Complete Budget with Details for Centers/At-Risk/Emergency/OSHC/Head Start - Insufficient CACFP Reimbursement**

Source	Annual Income	Source(s)
Anticipated CACFP Annual reimbursement	\$72,009	CACFP
Anticipated Other Income	\$15,000.00	tuition
Anticipated Other Income	\$20,000.00	head start
Anticipated Other Income	\$20,000.00	grant
Anticipated Other Income	\$2,531.00	grant hss
<b>Anticipated Total income</b>	<b>\$129,540</b>	
		Income & Expense should equal
<b>Anticipated Total Expenses</b>	<b>\$129,540.00</b>	

# REGULATIONS 7 CFR 226.6

## State agency requirements

- Before approving a new program and periodically after approval EED must ensure they are:
- Viable, Capable, & Accountable (VCA)

# VIABILITY

- ❑ Financially Stable
- ❑ Documents in GAAP format
- ❑ Business Financial Documents for prior year and present year
  - Statement of Net Assets
  - Balance Sheet
  - Income Statement
  - Profit/Loss – Budget vs. Actual
  - Financial Statement Audit if applicable
  - Business Plan

# PRE-RISK ASSESSMENT

- ❑ Uniform Grant Guidance Requirement 7 CFR 200.328-231
- ❑ Assess sponsor risk of noncompliance with CACFP regulations, policy and guidance
- ❑ Determines if pre-award conditions or additional monitoring necessary for program participation
- ❑ 5 scoring areas total, 2 pass/fail
- ❑ May prompt additional review and/or technical assistance, withholding of reimbursement, additional prior approvals, etc.

# PRE-RISK ASSESSMENT

## Score based on these considerations:

1. Claims, application and other paperwork submission, timely and thorough
2. Staff/administration turnover
3. Attendance at State Agency Training
4. Review findings/compliance and corrective action
5. Sam.Gov registration and 501 (c)(3) status *MUST* be current

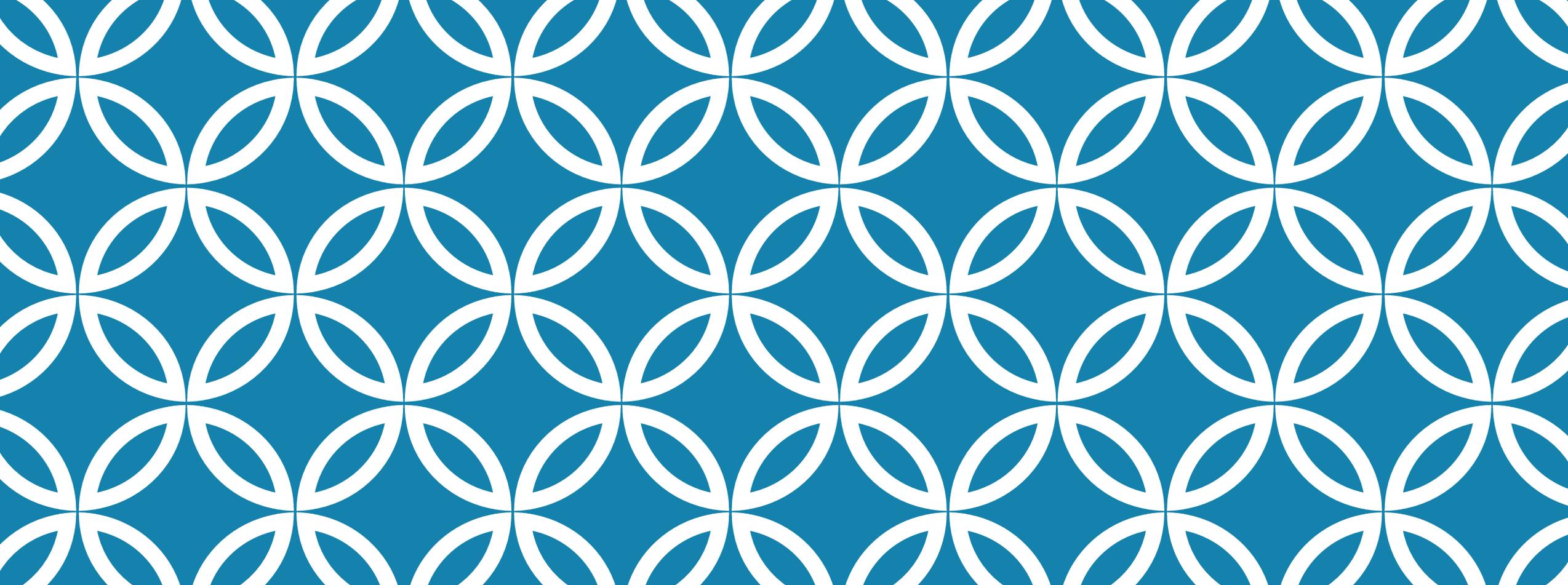
## Additionally, sponsors must ensure

- all records and financial statements be made available
- sub-contractors are not suspended or debarred from receiving federal monies



# PROCUREMENT PLAN

Every agency must have a procurement plan



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